

**TABLE 2**

Mar-04

## TOTAL GUARANTEED AND DIRECT LOAN PROGRAMS, March 2004 Baseline

	(by fiscal year)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Preliminary											
TOTAL ALL NEW LOANS [ New Guaranteed and Direct Loans ] a/												
Net Annual Loan Volume (Mil \$)	45,760	51,401	55,498	57,671	59,506	61,592	64,182	66,829	69,825	73,213	77,026	81,069
Net Number of Loans (000)	11,367	12,445	13,113	13,339	13,474	13,662	13,961	14,249	14,585	14,975	15,421	15,877
Average Loan Amount	\$4,026	\$4,130	\$4,232	\$4,324	\$4,416	\$4,508	\$4,597	\$4,690	\$4,788	\$4,889	\$4,995	\$5,106
Subsidy Rate b/ c/	1.93%	7.79%	9.71%	10.21%	10.38%	10.30%	10.10%	9.91%	9.72%	9.52%	9.32%	9.12%
SUBSIDIZED STUDENT LOANS [ New Guaranteed and Direct Loans ]												
Net Annual Loan Volume (Mil \$)	21,408	23,694	25,043	25,558	25,882	26,264	26,771	27,284	27,889	28,597	29,415	30,221
Net Number of Loans (000)	6,175	6,737	7,058	7,146	7,186	7,248	7,352	7,455	7,583	7,736	7,918	8,094
Average Loan Amount	\$3,467	\$3,517	\$3,548	\$3,577	\$3,602	\$3,623	\$3,642	\$3,660	\$3,678	\$3,696	\$3,715	\$3,733
Subsidy Rate b/ c/	8.87%	15.85%	18.31%	19.26%	19.70%	19.79%	19.78%	19.78%	19.78%	19.78%	19.76%	19.75%
UNSUBSIDIZED STUDENT LOANS [ New Guaranteed and Direct Loans ]												
Net Annual Loan Volume (Mil \$)	18,704	21,279	23,139	24,263	25,081	25,856	26,797	27,701	28,732	29,903	31,224	32,639
Net Number of Loans (000)	4,511	4,967	5,261	5,388	5,462	5,549	5,695	5,830	5,989	6,173	6,383	6,608
Average Loan Amount	\$4,146	\$4,284	\$4,399	\$4,503	\$4,592	\$4,660	\$4,705	\$4,751	\$4,797	\$4,844	\$4,892	\$4,939
Subsidy Rate b/ c/	-3.56%	2.15%	3.97%	4.20%	4.37%	4.45%	4.45%	4.45%	4.45%	4.43%	4.42%	4.40%
PARENT LOANS [ New Guaranteed and Direct Loans ]												
Net Annual Loan Volume (Mil \$)	5,647	6,428	7,316	7,849	8,543	9,472	10,614	11,844	13,204	14,713	16,387	18,209
Net Number of Loans (000)	681	740	795	805	827	865	915	963	1,013	1,065	1,120	1,174
Average Loan Amount	\$8,294	\$8,684	\$9,203	\$9,753	\$10,335	\$10,952	\$11,606	\$12,299	\$13,034	\$13,812	\$14,637	\$15,511
Subsidy Rate b/ c/	-6.17%	-3.26%	-1.58%	-0.69%	-0.21%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%

a/ Totals exclude consolidation loans.

b/ The subsidy rate is the net present value of the future federal cash flows associated with the loan dollars disbursed to borrowers each year. For example, the 2004 federal cost associated with the \$51,404 million in new loan volume would be \$4,003 million or 7.79% of the new loan volume [ $\$51,404 \times .0779 = \$4,003$ ]. Another way to look at the cost of the loan programs is that overall it will cost the federal government on average about 8 cents for each new dollar loaned in 2004.

c/ The subsidy rates were calculated using the CBO January 2004 interest rate forecast. These rates would be different if other forecasts are used.